

MEETING MINUTES
Finance Committee
Wednesday, April 20, 2011

CALL TO ORDER

Time – 7:00 P.M.

Members in attendance: Chairman Joanne F. Marden, Mary O'Donoghue, Cindy Milne, S. Jon Stumpf, Richard T. Howe, Paul Fortier and Greg Rigby.

Also present: Finance Director Tony Torrisi

UDATES AND LIAISON REPORTS

Chairman Marden noted two letters included in this meeting's packet: 1) Letter to Senator Finegold and 2) Letter from the Andover Retirement Board.

Mr. Stumpf reported what was discussed at a League of Women Voters Budget Forum held the previous week. There was a brief discussion among Committee members regarding the importance of recognizing grant money as well as Circuit Breaker funding when looking at the School Budget. Additionally, Chairman Marden suggested revolving account revenue as equally important. All agreed that the Finance Committee should look at the total revenue amount in the School's budget including grants, Circuit Breaker money and revolving accounts.

Mr. Stumpf informed Committee members that he had submitted a work sheet with grant and Circuit Breaker data to School Committee Chairman Dennis Forgue. He added once Mr. Forgue has reviewed and confirmed the numbers, that he would share this data with the Committee.

Two documents were distributed for Committee review and action: 1) Draft copy of Article 4 and, 2) list of motions and articles yet to be voted on by the Finance Committee.

WARRANT ARTICLE VOTES

Article 6 Motion: I move that the Town vote to transfer funds from the following 2010 Annual Town Meeting – Article 4 appropriations: \$180,000 from FY2011 Debt Service and appropriate the sum of \$180,000 for FY2011 Health Insurance.

Cindy Milne moved and Mary O'Donoghue seconded to recommend approval of Article 6. The motion passed unanimously 7-0.

Article 7 Motion: I move that the Town vote to transfer \$620,000 from Free Cash and appropriate a sum of \$500,000 to FY2011 to FY2011 Public Works – Other Expenses and \$120,000 to FY2011 Health Insurance.

Paul Fortier moved and Greg Rigby seconded to recommend approval of Article 7. The motion passed unanimously 7-0. Mr. Torrisi informed Committee members that the Town anticipated aid from FEMA for the last major storm in December.

Article 10 motion #2: I move Article 10G as follows: That the Town vote to rescind the following unissued bond authorizations:

\$500 Article 48, 2002 Annual Town Meeting Main Street Improvements

\$648 Article 34, 2005 Annual Town Meeting Water Treatment Plant Improvements

\$1,000,000 Article 2A, 2004 Special Town Meeting South Main Street Sewers

Dick Howe moved and Cindy Milne seconded to recommend approval. The motion passed unanimously 7-0.

Article 44 motion: I move that the sum of \$499,099.95 is appropriated to pay costs of replacing a Variable Frequency Drive Pump at the Water Treatment Plant, including the payment of any and all costs incidental and related thereto, and that to meet this appropriation the town transfer the sum of \$59,099.95 from the following town meeting articles:

Article 34, 2005 Water Treatment Plant Improvements \$1,657.66

Article 41, 2005 Fish Brook Pumping Station \$16,173.89

Article 55, 2005 Salt Study \$756.88

Article 35, 2007 Water Vehicle Replacement \$164.65

Article 54, 2007 Salt Balance Study \$14,576.42

Article 12, 2008 Fish Brook Pumping Station \$25,770.45

and, the Treasurer, with the approval of the Board of Selectmen, is authorized to borrow the sum of \$440,000 under and pursuant to Chapter 44, Section 8(7C) of the General Laws, or pursuant to any other enabling authority and to issue bonds and notes of the Town therefor. The motion passed unanimously 7-0.

REPORTING ON UNION CONTRACTS AND EMPLOYEE HEALTH INSURANCE

Mr. Howe distributed two motions for Committee review and action. The following concerns regarding Mr. Howe's motions were debated. While all agreed in principal to Mr. Howe's intent of achieving transparency relative to union contract negotiations and employee health insurance plans, most voiced concern over the length of time such presentations would add to Town Meeting. Some questioned whether Town Meeting was the appropriate forum for presenting this information. Suggestions for other methods of communicating this information to residents included the Annual Finance Committee Report, local television and League of Women Voters forums.

After a lengthy discussion, all agreed the Town Manager should present contract and employee health insurance information to the Town. However, no agreement was reached as to what type of forum was appropriate.

Jon Stumpf moved and Paul Fortier seconded to recommend approval of the following motion as amended: that the Finance Committee respectfully requests the Town Manager, Board of Selectmen and the School Committee to work with the Finance Committee to present to the Town the short-term and long-term budget impacts of each collective bargaining agreement; this presentation to take place after the signing of each collective bargaining agreement. The motion passed unanimously 7-0.

Dick Howe moved and Greg Rigby seconded to recommend approval of the following motion: that the Finance Committee respectfully requests the Town Manager and Board of Selectmen to convene a workshop for the Finance Committee, the School Committee, and other interested citizens on the current and projected Town costs of health insurance for current and retired Town and school employees. This workshop will include cost comparisons of current Town health insurance plans with those of the Group Insurance Commission and will include discussion of potential costs and savings of requiring Medicare coverage for all retirees. The motion passed unanimously 7-0.

NEXT MEETING

Wednesday, April 27, 2011
Town Meeting
6:30 P.M.
High School Field House

ADJOURNMENT – 9:00 P.M.

Respectfully Submitted,
Carolyn Lynch
Recording Secretary

April 15, 2011

Senator Barry R. Finegold
State House
Room 424
Boston, MA 02133

Dear Senator Finegold:

We are writing to request your support of the House Ways and Means Budget for FY-2012. Not only does the House Budget propose funding Unrestricted General Government Aid, Chapter 70, PILOT and Regional School Transportation at the level recommended by the Governor in House 1, there is a much-needed increase in the Special Education Circuit Breaker account.

For the FY2012 School Department budget, the Andover Board of Selectmen, School Committee and Finance Committee have agreed to use a budget number for the Circuit Breaker which includes a \$941,322 increase from the 40% FY2011 reimbursement rate to a 67.67% reimbursement rate for FY2012. The House Budget document states "this increase (in the Circuit Breaker) will provide roughly a 70% net claims reimbursement rate, up from 40% in Fiscal Year 2011".

At our meeting with you on Tuesday, April 5, 2011, you made reference to the Senate Budget and said, "it wouldn't be worse than the House Budget or could be better". **With that in mind, we urge your support to fund the SPED Circuit Breaker account at the 70% reimbursement rate.** This funding level is still 5% below the Legislative goal of 75%. We would be pleased to meet with you again to illustrate the need we have to receive a Circuit Breaker reimbursement of at least 67.67%. The total anticipated funding is essential to meet the needs of our SPED students.

Thank you in advance for your support.

Very truly yours,

Alex J. Vispoli, Chairman
Andover Board of Selectmen

Dennis F. Forgue, Chairman
Andover School Committee

Joanne F. Marden, Chair
Andover Finance Committee

AJV/DFP/JFM/sac
cc: Board of Selectmen
School Committee
Finance Committee
Dr. Marinel McGrath, Superintendent of Schools
Reginald S. Stapczynski, Town Manager



TOWN OF ANDOVER

Contributory Retirement System

36 Bartlet Street
Andover, Massachusetts 01810
(978) 623-8213 FAX (978) 623-8471

Administrator: Elena M. Kothman
Email: ekothman@andoverma.gov

Administrative Assistant:
Email:

Helen Armano
harmano@andoverma.gov

BOARD MEMBERS:

James A. Cuticchia, Chairman
Elena M. Kothman
Robert J. O'Sullivan, Esq.
Rodney P. Smith, Ex-Officio
Anthony K. Stankiewicz, Esq.

April 20, 2011

Joanne Marden, Chair
And Members of the Finance Committee
36 Bartlet Street
Andover, MA 01810

Dear Ms. Marden and Members of the Finance Committee:

The Andover Contributory Retirement Board would like to invite you to attend its meeting being held on **Wednesday, May 25, 2011** beginning at 8:30 AM in the Town Offices 3rd floor conference room for the purpose of the Retirement Board voting whether or not to approve a 3% cost of living increase (COLA) for retirees and their survivors. As you may already know, the COLA is a maximum of \$30 per month (\$360 per year) and is already built in to the funding schedule.

Please feel free to call me if you have any questions or concerns. Thank you.

Sincerely,

James A. Cuticchia

James A. Cuticchia, Chairman
Andover Contributory Retirement Board

JAC/emk

ARTICLE 4 - 2011 ANNUAL TOWN MEETING

78964 4/20/11

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| SELECTMAN: | |
| MOTION: I move line items 1 and 2 PUBLIC SAFETY in the following amounts: | |
| 1 | PERSONAL SERVICES 12,956,728 |
| 2 | OTHER EXPENSES 1,305,360 |
| | TOTAL 14,262,088 |
| | includes \$287,264 - parking receipts, \$70,000 - detail fees, and \$1,000,000 - ambulance collections |
| Finance Committee report: Mrs. Marden | |

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| SELECTMAN: | |
| MOTION: I move line items 3 and 4 GENERAL GOVERNMENT & COMMUNITY DEVELOPMENT in the following amounts: | |
| 3 | PERSONAL SERVICES 5,370,989 |
| 4 | OTHER EXPENSES 1,540,301 |
| | TOTAL 6,911,290 |
| | includes \$24,000 in receipts from wetland filing fees and \$27,044 water reserves and \$27,044 sewer reserves |
| Finance Committee report: Mrs. Marden | |

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| SELECTMAN: | |
| MOTION: I move line items 5 and 6 PUBLIC WORKS in the following amounts: | |
| 5 | PERSONAL SERVICES 1,663,249 |
| 6 | OTHER EXPENSES 3,682,302 |
| | TOTAL 5,345,551 |
| Finance Committee report: Mrs. Marden | |

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| SELECTMAN: | |
| MOTION: I move line items 7 and 8 PLANT & FACILITIES in the following amounts: | |
| 7 | PERSONAL SERVICES 3,110,159 |
| 8 | OTHER EXPENSES 1,342,341 |
| | TOTAL 4,452,500 |
| | includes \$68,475 in rental receipts; \$60,000 cemetery fees |
| Finance Committee report: Mrs. Marden | |

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|---|-----------------------------|
| SELECTMAN: | |
| MOTION: I move line items 9 and 10 LIBRARY in the following amounts: | |
| 9 | PERSONAL SERVICES 1,833,122 |
| 10 | OTHER EXPENSES 593,900 |
| | TOTAL 2,427,022 |
| Finance Committee report: Mrs. Marden | |

ARTICLE 4 - 2011 ANNUAL TOWN MEETING

SELECTMAN:

MOTION: I move line items 11 and 12 COMMUNITY/YOUTH/ELDER SERVICES in the following amounts:

| | | |
|----|-------------------|---|
| 11 | PERSONAL SERVICES | 1,216,381 |
| 12 | OTHER EXPENSES | 444,479 |
| | TOTAL | 1,660,860 includes \$550,000 and \$55,000 in user fees and \$69,300 in grants |

Finance Committee report: Mrs. Marden

SELECTMAN:

MOTION: I move line items 13 and 14 UNCLASSIFIED EXPENSES in the following amounts:

| | | |
|----|-------------------|---------|
| 13 | COMPENSATION FUND | 250,000 |
| 14 | RESERVE FUND | 200,000 |
| | TOTAL | 450,000 |

Finance Committee report: Mrs. Marden

SCHOOL :

MOTION: I move line items 15 and 16 ANDOVER SCHOOL DEPT. in the following amounts:

| | | |
|----|-------------------|------------|
| 15 | PERSONAL SERVICES | 49,176,074 |
| 16 | OTHER EXPENSES | 13,608,503 |
| | TOTAL | 62,784,577 |

Selectman report: Mr. Major

Finance Committee report: Jon Stumpf

SELECTMAN:

MOTION: I move line items 17 and 18 SEWER in the following amounts:

| | | |
|----|-------------------|--|
| 17 | PERSONAL SERVICES | 416,740 |
| 18 | OTHER EXPENSES | 2,075,955 |
| | TOTAL | 2,492,695 includes \$360,000 in sewer reserves |

Finance Committee report: Mrs. Marden

SELECTMAN:

MOTION: I move line items 19 and 20 WATER in the following amounts:

| | | |
|----|-------------------|-----------|
| 19 | PERSONAL SERVICES | 1,591,548 |
| 20 | OTHER EXPENSES | 2,288,400 |
| | TOTAL | 3,879,948 |

Finance Committee report: Mrs. Marden

ARTICLE 4 - 2011 ANNUAL TOWN MEETING

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| GLTHS : | MARILYN FITZGERALD |
| MOTION: | I move line item 21 GREATER LAWRENCE TECHNICAL HIGH SCHOOL in the following amount: |
| 21 | GREATER LAWRENCE ASSESSMENT 444,503 |
| | TOTAL 444,503 |
| Selectman report: | |
| Finance Committee report: | Mrs. Marden |

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| SELECTMAN: | I move line items 22 thru 26 FIXED EXPENSES in the following amounts: |
| MOTION: | |
| 22 | DEBT SERVICE 12,112,692 |
| 23 | GENERAL INSURANCE 661,613 |
| 24 | UNEMPLOYMENT COMPENSATION 100,000 |
| 25 | RETIREMENT FUND 5,085,067 |
| 26 | HEALTH INSURANCE FUND 14,355,000 |
| | TOTAL 32,314,372 |
| Finance Committee report: | Mrs. Marden |

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| SUMMARY BY TOWN MODERATOR- Point of Information Only- DO NOT VOTE |
| GRAND TOTAL 137,425,406 |
| less dedicated Revenues (2,598,127) |
| NET TOTAL 134,827,279 |

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| ARTICLE NO. 5 | M | <u>FY-2012 Capital Projects Fund Appropriation – \$1,246,000</u> |
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Planning Bd. Rep.

Speaker: Marinel McGrath, Superintendent of Schools

Joe Piantedosi, Plant & Facilities Director (for questions)
R.S. Stapczynski, Town Manager

VOTE: YES _____ NO _____

Final Disposition of Article _____

ARTICLE NO. 6

M

Budget Transfers - \$180,000

Planning Bd. Rep.

Speaker: R.S. Stapczynski, Town Manager

\$ 180,000 from FY2011 Debt Service
And appropriate the sum of \$ 180,000 for FY2011 Health Insurance

VOTE: YES _____ NO _____

Final Disposition of Article _____

4/20/2011

ARTICLE NO. 9

Unexpended Appropriations

Moved by Sel.: Teichert

Planning Bd. Rep.

Fin. Comm. Rep.: Marden

Speaker

MOTION: I MOVE THAT ARTICLE 8 BE WITHDRAWN FROM THE WARRANT

VOTE: YES _____ NO _____

Final Disposition of Article _____

ARTICLE NO. 10

General Housekeeping Articles (10 D Statute Acceptance)

Moved by Sel.: ? See notes from AV

Planning Bd. Rep.

Fin. Comm. Rep.: Kruse

Speaker:

Give explanation of Consent Agenda as Town housekeeping articles that need to be passed by the assembly each year.

TWO MOTIONS:

MOTION #1: I move that the Town approve the consent agenda, Articles 10A through 10F (Majority Vote).

MODERATOR: Is there anyone who objects? - Moderator take vote

rescinding

MOTION #2:

I move Article 10 G as follows : That the Town vote to rescind the following unissued bond authorizations:

Article 48, 2002 Annual Town Meeting Main Street Improvements

Article 34, 2005 Annual Town Meeting Water Treatment Plant Improvements

\$1,000,000 Article 2A, 2004 Special Town Meeting South Main Area Sewers
(Majority Vote)

VOTE: YES _____ NO _____

